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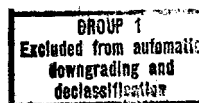
MEMORANDUM FOR THE RECORD

**SUBJECT: Conversation with Mr. Sam Papich,
Federal Bureau of Investigation**

1. On 7 August I called Mr. Papich, FBI Liaison Officer, and asked if we could meet to discuss the FBI's position on S 782. At 3:30 p.m. I met with Mr. Papich who advised that the FBI's position at all times has been for total exemption from S. 782. The FBI's interest concerned national security affairs and criminal investigations and it is their feeling that the provisions of the Bill would seriously and adversely affect their ability to properly conduct their affairs in both these areas. Therefore the FBI has consistently held for total exemption.

2. The FBI does not want to be a party to any modifications particularly those submitted by the Agency as its fallback position. The Bureau could not understand why the Agency took a fallback position and did not strongly hold out for total exemption. I explained that in our closed hearing with Senator Ervin and in conversations with members of the Subcommittee and staff members it was evident that Senator Ervin was holding to a rather strong position that total exemption for this Agency was not warranted. The Agency felt that in light of this strong opposition to a total exemption and the fact that we seem to be standing alone in our effort to obtain such an exemption we felt it propitious to develop a fallback position which complied with the spirit of the proposed Bill but at the same time protected to the degree possible Agency interests. Further, it was our feeling that whatever was reported out of the Subcommittee would probably be approved by the full Committee and the Senate. Rather than face a situation where we had no basic concessions to Agency interests we developed a fallback position which to some degree would provide Agency protection.

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3. It was further discussed that this Agency has very little business with Senator Ervin's Subcommittee as we deal with our four constituted subcommittees in the Congress. On the other hand, it was obvious that the FBI has a considerable relationship with the Senate Judiciary Committee and its subcommittees and their position was somewhat different from ours in their relationship thereto.

4. It was indicated that the Subcommittee in its meetings of 4 and 5 August were in considerable confusion in light of the counter-proposals and there was some frustration in trying to work these out into an agreed-upon, acceptable basis. It was stated that Senator Hruska planned to consolidate the new proposal and circulate them to the three agencies -- CIA, NSA and FBI -- for their comments. It was further indicated that Senator Ervin is becoming somewhat tired and discouraged over his inability to push through this Bill and apparently is reconciled or more amenable to a compromise to satisfy the various objections. The FBI encouraged that we hold out for total exemption. It was my feeling, although not expressed by Mr. Papich, that the FBI had previously received some assurance that they would be exempted either in the Subcommittee or in the full Committee hearings from the provisions of this Bill. This feeling was reinforced when Mr. Papich indicated that there was some discussion by the Subcommittee that they could not rightfully give an exemption to the FBI and not include both CIA and NSA. Both Mr. Papich and I agreed that we should cooperate very closely so that our positions can be coordinated and our joint efforts might be more productive in serving each of our interests. I promised to keep Mr. Papich advised and he in turn promised the same with me.

5. On the morning of 8 August Mr. Papich called urging that we revert to our position of a full exemption from the provisions of the Bill. He stated that if our fallback position is accepted and included in the Bill it will most certainly pass the Senate and Chairman Henderson would have little or no alternative in the House but to accept it. We discussed the possibility that as the new proposals are drafted the Agency might have an opportunity of changing its position back to that of complete exemption from the Bill. The FBI is obviously extremely worried as they feel that the loosely drawn provisions of the Bill offer innumerable opportunities for difficulties in their operation.

SIGNED R. L. Bannerman

R. L. Bannerman
Deputy Director
for Support

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1. The heads of the three agencies may withhold any information in discussion during interrogation of the employees in the presence of the attorney or other third party or from consideration during any proceedings before the courts or the Board of Employees' Rights when he deems such action necessary to protect the national security. The Bureau has taken the position that this provides no protection whatsoever to the FBI where the matter under consideration affected criminal or other non-security investigations.
2. No employee of the three agencies could proceed through the courts or the Board until he first has complained of the alleged wrongful action to the agency and allowed the agency 120 days to answer the complaint. The Bureau took the position that this provided little if any meaningful relief because it only served to delay suits by disgruntled employees.
3. Employees of the three agencies who are to be interrogated for possible misconduct may be accompanied only by counsel who has been cleared as a good security risk by the agency involved or by another employee of the agency selected by the employee. The Bureau took the position that this again ignored the fact that many of our problems under this bill involved non-security work in situations involving the handling of criminal informants could ^{cost} cause the informant his life if discussed in the presence of outsiders or even other employees who have no reason to be aware of the informant's operations. We further point out that any requirement for the agencies to establish a list of approved counsel imposed an unusual burden on the agency which would certainly result in great controversy.
4. Nothing in the bill would in any way affect the authorities of the heads of the three agencies from summarily discussing or disciplining an employee for cause. Senator ^{HILL} ~~Russell~~ pointed out that both CIA and NSA have specific statutory authority while the FBI derives its authority from Title 28, U. S. Code, Section 536. This is the statute which excepts the Bureau from the rules and regulations of the Civil Service. It is possible that this bill eventually might include specific authority to cover the FBI.

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